



HOME PROGRAM TENANT-BASED RENTAL ASSISTANCE GUIDE

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SECTION 1. INTRODUCTION

Planning, administering and operating an affordable housing activity is a rewarding but challenging venture. The federal regulations relating to the HOME Investment Partnership Program (HOME) can be very complex. The Iowa Finance Authority (IFA), provides subrecipients with this HOME Program Tenant-Based Rental Assistance Guide (Guide) as a tool to help them manage their HOME award and to assist them in staying in compliance with applicable requirements. This Guide is not a stand-alone document and needs to be utilized with other HOME sources of information for state and federal regulations. HUD regulation sections cited in this document refer to HUD Regulations 24 CFR (Code of Federal Regulations).

IFA's website lists a vast amount of information, regulations, forms, and announcements regarding the HOME Program and is one of the best tools available for subrecipients. The forms cited in this Guide are highlighted with a **yellow text highlight**. The state and federal HOME rules along with many of the documents referenced in this Guide can be found on the website at www.iowafinanceauthority.gov.

A. HOME ALLOCATION STAFF

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Rita Eble HOME Team Leader Project Manager	515-250-3217 Rita.eble@iowa.gov	Project Manager Environmental
Jerry Floyd Project Manager	515-725-4907 Jerry.floyd@iowa.gov	Project Manager Relocation
Nancy Peterson	515-402-7563 Nancy.peterson@iowa.gov	Affirmative Fair Housing Marketing Plan Civil Rights/Fair Housing Specialist
Connie Bryant	515-725-4973 Connie.bryant@iowa.gov	Administration
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SECTION 2. GENERAL INFORMATION

Tenant-Based Rental Assistance (TBRA) is a program that enables individual households to rent safe, sanitary housing units.

Subrecipients can provide TBRA to very low- and low-income households in three forms:

- Monthly rental assistance payment (up to two years)
- Upfront security deposit assistance
- Utility deposit assistance

NOTE: The utility deposit assistance shall only be provided in conjunction with rental assistance or security deposit. Utility deposits cannot be standalone assistance.

IFA requires that TBRA assistance be made:

- Directly to the landlords on behalf of the tenants
- Directly to the utility provider on behalf of the tenants

As a general rule, students are not considered eligible tenants unless they meet HUD's student exception rule. If you have any questions, please contact IFA.

Subrecipients shall directly administer the TBRA project.

A. TBRA FLEXIBILITY

TBRA differs from other types of HOME rental housing activities in three key ways:

- TBRA Assists Individual Households
Individual households are assisted rather than rental units.
- TBRA Moves with the Tenant
If a household decides to move to another rental property, the household may take its TBRA assistance with them.
- TBRA Subsidy Varies per Household
The TBRA subsidy level is based upon the income of the household, the particular unit the household selects and the rent standard.
- TBRA can be designed to serve the general objective of making housing more affordable for low-income households within a jurisdiction.
- TBRA can focus on special purpose or specific housing needs.

B. ELIGIBLE ACTIVITIES

1. RENT ASSISTANCE

Rent assistance is the difference between 30% of the household's adjusted monthly income and the actual monthly rent.

2. SECURITY DEPOSIT ASSISTANCE

The TBRA project may assist tenants with security deposits.

- The term "security deposit" is defined by the local or state tenant-landlord law covering the jurisdiction.

- The maximum amount of HOME funds that may be provided for the security deposit is the equivalent of two months' rent for the unit.

3. UTILITY DEPOSIT ASSISTANCE

Utility deposit assistance must be used along with either rent assistance or security deposit assistance. Utility deposit assistance can be granted when the household moves in if they are required to pay a utility deposit.

C. INELIGIBLE ACTIVITIES

TBRA cannot be used:

- To assist a resident owner of a cooperative or mutual housing unit when that resident is recognized by state law as a homeowner.
- To prevent the displacement of tenants from projects assisted with Rental Rehabilitation Program funds.
- For homeless persons for overnight or temporary shelter.
- To duplicate existing rental assistance programs that already reduce the tenant's rent payment to 30% of income.
- To pay for utility payments in arrears.

D. ELIGIBLE TENANT

1. INCOME ELIGIBILITY

HOME TBRA is limited to tenants who are at or below 80% of the area median income (AMI). The Exhibit A of the subrecipient's contract with IFA shows the income levels the project must serve.

2. INCOME DETERMINATION

The subrecipient must assure that the household is income-eligible prior to signing a contract for TBRA assistance. The income determination is valid for six months.

Household income shall be calculated using the HUD's regulations at 24 CFR Part 5 (often referred to as "the Section 8 definition").

The subrecipient must determine annual income by reviewing source documents evidencing annual income (wage statements, interest statements, unemployment compensation, etc.) for the household.

a. Source Documentation for Income Determinations

HOME subrecipients shall examine at least two months' of source documentation (e.g., wage statements, interest statements, or unemployment compensation documentation) when determining household income for all potential HOME beneficiaries. (See 2013 Rule amends §92.203(a)(1)(i) and (a)(2))

b. Counting All Household Members' Income

The income of all persons in the household, including nonrelated individuals, shall be included in the household income determination. (See §92.203(d)(1))

These tools on the HUD Exchange website may be helpful in determining household income:

- Online Income Eligibility Calculator
- Income Eligibility Calculator User Manual
- Technical Guide for Determining Income and Allowances for the HOME Program

NOTE: The current passbook savings rate on assets is 0.6%.

E. TENANT SELECTION PLAN

A subrecipient of TBRA funds must have a written tenant selection policy that clearly specifies how households will be selected for participation in their project. There are two major components of tenant selection:

- **Income Eligibility** – A project can target the assistance to distinct AMI levels as long as it is below the 80% AMI level.
- **Preferences** – A project can target populations of unmet needs as defined in the State of Iowa's Consolidated Plan. (See §92.209(c)(2)(i) and (ii))

Preferences can be established for both individuals with special needs (such as homeless persons or elderly persons) and persons with disabilities, in certain situations.

A project can limit TBRA to persons with a specific disability or disabilities if doing so is necessary to provide housing, aid, benefit, or services that are as effective as those provided to others, in accordance with the requirements in 24 CFR 8.4(b)(1)(iv).

A project is prohibited from requiring participation in medical or disability-related services as a condition of receiving or continuing to receive HOME TBRA.

F. RENT REASONABLENESS

A subrecipient must disapprove a lease if the subrecipient determines the rent is not reasonable based on rents that are charged for comparable unassisted rental units.

G. PROPERTY AND OCCUPANCY STANDARDS

Inspections to verify compliance with the Section 8 Housing Quality Standards (HQS), lead safe housing and occupancy standards are made at initial move-in.

1. SECTION 8 HOUSING QUALITY STANDARDS

The Section 8 Housing Quality Standards (HQS) must be used for HOME TBRA projects. The inspections at move-in must ensure that the unit meets HQS.

2. LEAD SAFE

HOME TBRA units must be lead safe housing. The inspections at move-in must ensure that the unit is lead safe.

3. OCCUPANCY STANDARDS

Subrecipients must develop local occupancy standards that specify the number of bedrooms needed by households of various sizes and composition. The occupancy standards are used to provide consistent criteria for determining the unit size for which the household is eligible.

4. TERMINATION

Subrecipients must establish standards for when a landlord may elect to terminate or refuse to renew the lease of a TBRA household. These standards must be in writing.

They must also be included in the lease and/or in the contract between the subrecipient and the tenant.

H. PROCESSING APPLICATIONS FOR TENANTS

1. APPLICATION INTAKE AND WAITING LIST

The subrecipient must create a waiting list policy. The subrecipient must follow its written tenant selection plan. Documentation must demonstrate that all eligible households had the opportunity to apply and were treated fairly in the application process. The subrecipient shall retain records on all applicants.

2. ELIGIBLE DETERMINATIONS

The subrecipient must verify all factors that relate to the household's eligibility, the household composition, and preference and income information provided by the household. The subrecipient must use source documents (i.e. wage or interest statements, payroll) to determine the household's income.

3. TBRA ASSISTANCE

Once a household is determined eligible and selected to receive TBRA assistance, the subrecipient should notify the household and authorize the household to look for housing. The subrecipient should establish a deadline for the household to locate a unit.

4. REQUEST FOR TBRA UNIT APPROVAL

Once the household finds a unit and a landlord willing to participate in the project, the tenant submits a request for the unit to be approved and for using TBRA to rent the unit. The subrecipient must inspect the unit to assure that Section 8 Housing Quality Standards, lead safe housing, and occupancy requirements will be met and assure that the rent is reasonable.

5. LEASE EXECUTION

Once the unit has been approved, the tenant and the owner must enter into a lease. The subrecipient must provide required language regarding the HOME Program as an addendum to the owner's lease. The subrecipient and the owner will enter into an agreement in which the owner agrees to comply with the HOME rules and the subrecipient agrees to pay the TBRA share of rent.

The lease between the landlord and the tenant may not contain certain prohibited lease provisions and must be in effect for at least one year, unless otherwise agreed upon by the tenant and landlord for a lease less than one year.

I. ONGOING RESPONSIBILITIES

1. OCCUPANCY STANDARDS

The subrecipient shall inspect the unit at move-in to ensure the unit meets HQS, lead safe standards and to ensure that the unit is the appropriate size for the household in order to meet occupancy standards.

2. RENT INCREASES

The subrecipient must review and approve rent increases by landlords renting to TBRA tenants. Owners can adjust rents as leases are renewed. The rent must be reasonable.

3. RECERTIFYING INCOME

Income of tenants receiving rental assistance must be re-examined at least annually using source documents.

4. TENANTS ON SECTION 8 WAITING LIST

Special provisions are needed for tenants receiving HOME TBRA who were on the Section 8 waiting list at the time of selection. Section 8 providers are required to maintain households on the Section 8 waiting list even if they are selected for HOME TBRA assistance.

J. EXPENDITURE TIMEFRAMES

The subrecipient has 24 months from the contract effective date to expend all awarded HOME funds unless an amendment to the contract for a time extension is approved.

K. MATCH

IFA encourages match and as the HOME Program becomes more competitive, match may become more important. Match pledged on the subrecipient's application should be reflected in the **HOME Match Report** submitted at closeout. Failure to provide pledged match may result in ineligibility for future funding.

L. GENERAL ADMINISTRATION

General administration is a separate activity contained in the subrecipient's approved budget and shown on Exhibit A of the HOME contract. General administration costs are paid out of the general administration funds line-item of the HOME application budget. The following items are considered general administration costs (not all inclusive) and the activity must be an allowable cost per federal requirements:

- Overall project coordination. (e.g. establishing financial accounting documents and systems, management, internal controls and oversight responsibilities, etc.)
- General administration services. (e.g. third party contracts, accounting, legal, etc.)
- Reporting to IFA. (e.g. draw requests, etc.)
- Advertising and marketing (e.g. general information, public outreach) about the activity or project.
- Direct costs and salaries of the subrecipient's staff directly involved in the administration of the activity project.
- Indirect costs such as office space rent, utilities, insurance, supplies, etc.
- Costs incurred in the procurement of third party administrative services, technical services or in the procurement/purchase of any indirect costs noted above.
- Internal monitoring and oversight of funded project activities.
- Coordination and resolution of monitoring and/or audit issues.
- Audit costs.
- Environmental review. (overall project)
- Activities to affirmatively further fair housing. (in a general way)
- Preparation and adoption of the Administration Plan.
- Processing of individual applications for assistance (if the household receives TBRA assistance, then this can be paid by the income eligibility cost, technical services, rather than general administration).
- Third party verification of applicant's income (if the household receives TBRA assistance, then this can be paid by the income eligibility cost, technical services, rather than general administration).
- Income eligibility determination and verification of applicants (if the household receives TBRA assistance, then this can be paid by the income eligibility cost, technical services, rather than general administration).

M. INSPECTION AND INCOME DETERMINATION COSTS

Cost of inspecting housing units and determining income eligibility may be reimbursed with regular funds if the household receives TBRA assistance. If the unit or household does not end

up utilizing TBRA assistance, then the costs for determining income eligibility SHALL be charged to the general administration line item in the TBRA budget.

N. AUDIT STATEMENT

AUDIT (FOR LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS)

The subrecipient's contract will contain language regarding federal audit regulations found in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Financial Guidance. In addition, when the project is ready to close, IFA will issue an Audit Letter which will further mention audit requirements.

For local governments and non-profit organizations, the following applies:

- A **Single Audit Not Required Form** must be submitted for each fiscal year that the subrecipient expends up to \$750,000 in federal funds, part of which must be HOME funds.
- An audit must be submitted for each fiscal year that the subrecipient expends \$750,000 or more in federal funds, part of which must be HOME funds.
- The subrecipient must submit one copy of the applicable document for EACH contract and note the contract number it pertains to.
- IFA reserves the right to request additional information as needed.

O. BREACH OF CONTRACT

Any breach of contract provisions may result in repayment of the subrecipient's HOME funds and may prevent future awards from IFA.

SECTION 3. FEDERAL CROSS-CUTTING MEASURES

A. SUMMARY OF OTHER FEDERAL CROSS-CUTTING MEASURES

SUMMARY OF OTHER FEDERAL CROSS-CUTTING MEASURES			
Other Federal Requirements	Applies to TBRA Projects?	Special Issues/Considerations	Regulatory Citations and References
<i>Non-Discrimination and Equal Access Rules</i>			
Fair Housing and Equal Opportunity	Yes	Subrecipient must affirmatively further fair housing	<ul style="list-style-type: none"> • 92.202 • Title VI of Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) • Fair Housing Act (42 U.S.C. 3601-3620) • Executive Order 11063 (amended by Executive Order 12259) • Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) • 24 CFR 5.105(a)
Affirmative Marketing	Yes	Affirmative Fair Housing Marketing Plan must be submitted to IFA	<ul style="list-style-type: none"> • 92.351
<i>Employment and Contracting Rules</i>			
Conflict of Interest	Yes	Contract includes language	<ul style="list-style-type: none"> • 92.356 • 2 CFR Part 200
Equal Opportunity Employment	Yes	Contracts and subcontracts over \$10,000 should include language prohibiting discrimination.	<ul style="list-style-type: none"> • Executive Order 11246 (implemented at 41 CFR Part 60)
<i>Environmental Requirements</i>			
Environmental Reviews	Yes	58.35(b)(1) – TBRA level of review is Categorically excluded NOT subject to 58.5.	<ul style="list-style-type: none"> • 92.352 • 24 CFR Part 58 • National Environmental Policy Act (NEPA) of 1969
Lead-Based Paint	Yes pre-1978 units	The regulation only applies to structures built before 1978 that house children under the age of six.	<ul style="list-style-type: none"> • 92.355 • Lead Based Paint Poisoning Prevention Act of 1971 (42 U.S.C. 4821 et. seq.) • 24 CFR Part 35 • 982.401(j) (except paragraph 982.401(j)(1)(i))

B. CIVIL RIGHTS AND FAIR HOUSING

The purpose of Affirmative Fair Housing Marketing requirements is to promote a condition in which individuals of similar income levels in the same housing market area have available to them a like range of choices in housing, regardless of the individual's race, color, religion, sex, physical/mental disability, familial status or national origin. In addition, in Iowa you may also not discriminate based on creed, sexual orientation, gender identity and retaliation.

The subrecipient's contract will list several federal and state regulations related to civil rights, equal opportunity and fair housing. The Fair Housing Act prohibits discrimination in the sale, rental, financing or other services related to housing based upon the protected classes. If you participate in the HOME Program, you cannot be denied benefits or be subjected to

discrimination based on the protected classes. Fair housing also applies to any project funded in whole or in part with federal funds. When the subrecipient signs the contract, it certifies that it will comply with the laws listed. If the subrecipient does not understand the requirements, it should request the full text of the regulation from IFA and consult with IFA's Civil Rights/Fair Housing Specialist to ensure compliance.

While some of the civil rights and fair housing regulations simply prohibit discrimination, others require the subrecipient to take some affirmative steps or action. These are addressed below.

1. AFFIRMATIVELY FURTHERING FAIR HOUSING

Title VIII of the Civil Rights Act of 1968 and Title I of the Housing and Community Development Act of 1974 require that subrecipients take some action to affirmatively further fair housing in their communities. This means the subrecipient must conduct outreach and informational efforts to those who are least likely to know about and apply for the housing assistance.

Refer to the following links on IFA's website for information and examples:

- [Affirmative Fair Housing Marketing Plan Form and Instructions \(TBRA\)](#)
- [IFA Affirmative Fair Housing Marketing Outreach Guide](#)
- [Equal Housing Opportunity Logo](#)
- [Accessible Unit Lease Addendum - Sample](#)
- [Policy on Assistance Animals - Sample](#)
- [Federal Fair Housing Poster](#)
- [Iowa Fair Housing Poster](#)
- [Iowa Hate Crime Poster](#)
- [Equal Access to Housing in HUD Programs-Regardless of Sexual Orientation or Gender Identity](#)

When the TBRA project is monitored, the assigned IFA Project Manager will review the actions that the subrecipient took to affirmatively further fair housing. The subrecipient should document those activities and the results.

a. Affirmative Fair Housing Marketing (AFHM) Plan

HOME subrecipients are required to develop an Affirmative Fair Housing Marketing Plan for the project.

C. ENVIRONMENTAL REVIEW

IFA determines the level of review for HUD activities following the guidance according to 24 CFR Part 58. TBRA projects are Categorically Excluded Not Subject to 58.5.

1. INCURRING COSTS (24 CFR PART 58.22)

Completion of the environmental review process is mandatory before any action can be taken on a TBRA project.

Subrecipients cannot obligate or incur costs or draw down funds until the environmental review requirements are satisfied and IFA has released funds for the project.

2. ENVIRONMENTAL REVIEW RECORD (24 CFR PART 58.38)

Each HOME project must have a written record of the environmental review process. This is the Environmental Review Record (ERR) which must be available for public review. The ERR must contain a description of the activity for the subrecipient's TBRA project.

3. CATEGORICAL EXCLUSIONS (24 CFR PART 58.35)

TBRA activities must do the following:

- a. Document in writing that the TBRA activity is NOT subject to 58.5 in the ERR.
- b. Complete the **Compliance Documentation Checklist for 24 CFR Part 58.6**.
- c. Submit the form: **Finding of Categorical Exclusion: Not Subject to the Related Federal Laws and Authorities/Request for Release of Funds**.

No public comment periods are necessary for this type of categorically excluded project. Upon receipt and approval of the form, IFA will release funds.

Once IFA releases funds and applicable contract conditions are satisfied, the subrecipient may draw funds.

Through the **Request for Release of Funds (RROF)**, the subrecipient accepts the role of the responsible federal agency should there be a lawsuit concerning environmental laws and regulations.

D. FEDERAL CONTRACT PROVISION LANGUAGE

The subrecipient must certify that all federal requirements listed in its contract with IFA are satisfied. The certifications must be part of every contract and subcontract funded in whole or in part with HOME funding.

The subrecipient must ensure that all contracts include the provisions outlined in the **Contract Provisions Checklist**.

E. LEAD SAFE HOUSING

HUD Lead Regulation 24 CFR Part 35, Subpart M, applies to the TBRA Program. **The regulation only applies to structures built before 1978 that house children under the age of six.** The subrecipient should consult the regulation itself to make sure that it implements this regulation fully and properly. Further information concerning the state specific requirements for lead poisoning prevention can be found at Iowa Department of Public Health – Bureau of Lead Poisoning Prevention website.

The following summarizes the key requirements for TBRA projects:

1. EVALUATION

Subrecipients must ensure that a visual assessment of a unit is conducted prior to occupancy and at least annually thereafter. The visual assessment identifies deteriorated paint, dust, debris, and other residue. The visual assessment must be completed by a contractor certified by the Iowa Department of Public Health to conduct visual assessments.

2. PAINT STABILIZATION

The property owner must correct any conditions identified in the HQS inspection or visual assessment including stabilization of deteriorated paint. Paint stabilization normally involves repairing the substrate, scraping, and repainting the surface. All deteriorated paint must be stabilized by properly trained or supervised workers using Lead Safe Work Practices.

When work is complete, the subrecipient must ensure that the unit passes clearance and must maintain a copy of the clearance report. Failure to obtain clearance on any unit where lead hazard reduction activities have occurred will result in disqualification of the unit. Records should be kept on any unit where clearance is required but has not been obtained to ensure that the unit is not rented to a TBRA assisted household.

3. COMMUNICATION WITH TENANTS

The subrecipient must ensure that residents receive the following communications:

- The tenant must receive the EPA pamphlet, Protect Your Family from Lead in Your Home, or the Iowa Department of Public Health's pamphlet, Lead Poisoning – How to Protect Iowa's Families, prior to occupying the unit. Documentation of the tenant's receipt of one of these pamphlets must be maintained in the tenant's file.
- Prior to occupancy, tenants must receive a Lead Disclosure Notice from the owner notifying them of any known lead-based paint or hazards in the unit.

4. ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVELS

The subrecipient and property owners must take specific steps after receiving notice that a child with EIBLL is living in a unit occupied by a TBRA assisted household.

5. REIMBURSABLE EXPENSES

Inspections associated with lead-based paint requirements are reimbursable either with regular funds or administration funds depending on the year of the subrecipient's contract and budget limitations. There are no TBRA funds available for lead hazard reduction. The burden to pay for lead reduction work is on the building owner.

F. PROCUREMENT AND CONFLICT OF INTEREST

1. PROCUREMENT

All subrecipients must follow the General Procurement Standards in 2 CFR §200.318.

2. CONFLICT OF INTEREST

Along with other requirements not mentioned in this Guide, this regulation states that non-Federal entity recipients must maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest. "Organizational conflicts of interest" means that, because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

3. MINORITY OR WOMEN-OWNED BUSINESSES

All projects utilizing HOME funding must take affirmative steps to use small businesses and minority- or women-owned businesses as sources of supplies, equipment, construction, and services. A searchable database of registered MBE's and WBE's is available at Department of Inspection and Appeals – Certified Targeted Small Business.

G. SPECIAL REQUIREMENTS FOR LOCAL GOVERNMENTS

Local government subrecipients of HOME awards need to:

- Adopt a **Policy on the Prohibition of the Use of Excessive Force** and a **Residential Anti-Displacement and Relocation Assistance Plan**. The subrecipient must submit adopted and signed copies of both documents to IFA before it can draw funds.
- Adopt an Equal Opportunity Policy and post it in a public place. See **Sample Equal Opportunity Policy Statement**.

Follow appropriate accounting and financial management procedures as required by 2 CFR Part 200. (For audit requirements, see Section 2 of this Guide.)

SECTION 4. AFTER RECEIPT OF AWARD

A. AWARD LETTER

The subrecipient will receive a conditional award letter. Upon receipt of the letter, the subrecipient must sign and return the Award Acceptance page acknowledging and accepting the award.

B. ATTEND MEETINGS/TRAINING SESSIONS

The subrecipient shall attend meetings/trainings as specified by IFA.

C. READ HOME TBRA GUIDE

D. CONTRACT DOCUMENTS

When the subrecipient receives its contract documents, it should review them carefully, obtain the required signatures(s) and return it to the assigned IFA Project Manager. IFA will execute the contract and return a copy to the subrecipient.

E. BEGIN ENVIRONMENTAL REVIEW PROCESS

See Section 3, C. of this Guide.

NOTE: The subrecipient must have IFA's **Request for Release of Funds** letter **BEFORE** it starts the TBRA project.

F. NOTICE TO PROCEED

Only expenses incurred by the subrecipient after receipt of the **IFA Notice to Proceed Form** are eligible for reimbursement. (Applies to 2015 and newer projects.)

G. ADMINISTRATION PLAN

The subrecipient will prepare and submit its Administration Plan and ensure the project's compliance with federal laws, regulations, state administrative rules provisions and providing the project "blueprint". The subrecipient must describe its operational policies, procedures and standards, and operation consistency. IFA will monitor the subrecipient's project based on its Administration Plan.

H. LEASE PROVISIONS

- The lease between the owner and the assisted tenant must be for at least one year unless mutual agreed upon by both.
- The lease between the owner and the assisted tenant **cannot** contain any of the following provisions:
 - ✓ Agreement to be sued - Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
 - ✓ Treatment of property - Agreement by the tenant that the owner may seize or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This provision does not apply to disposition of personal property left by a tenant who has vacated a property.
 - ✓ Excusing owner from responsibility - Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.

- ✓ Waiver of notice - Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant.
- ✓ Waiver of legal proceedings - Agreement of the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- ✓ Waiver of a jury trial - Agreement by the tenant to waive any right to a trial by jury.
- ✓ Waiver of right to appeal court decision - Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a court decision in connection with the lease.
- ✓ Tenant responsible for costs of legal actions regardless of outcome - Agreement by the tenant to pay attorney's fees or other legal costs, even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- Owners may terminate tenancy or refuse to renew a lease only upon 30 days' written notice.
- The subrecipient must adopt written tenant selection policies and criteria that:
 - ✓ Are consistent with the purpose of providing housing for very low-income and low-income households;
 - ✓ Are reasonably related to program eligibility and the household's ability to perform the obligations of the lease;
 - ✓ Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
 - ✓ Give prompt written notification to any rejected applicant of the grounds for any rejection.

I. PROCURE GENERAL ADMINISTRATION SERVICES

General administration services should be provided by the subrecipient. Project expenses that cannot be provided by the subrecipient should be procured through a competitive process, preferably from three or more firms or individuals (a bid price is not required).

SECTION 5. ESTABLISHING RENTS

A. ASSISTANCE

1. RENT ASSISTANCE

The maximum amount that the HOME TBRA project may pay to assist any given household for rent assistance is the difference between 30% of the household's adjusted monthly income and the actual monthly rent.

2. DEPOSIT ASSISTANCE

- Security deposits are limited to two month's rent
- Utility deposits are determined by the utility provider

3. SUBSIDY

- TBRA subsidy varies per household. The TBRA subsidy level is based upon the income of the household, the particular unit the household selects and the project's established rent standard.

4. RENT STANDARD

The subrecipient shall establish a rent standard using one of the following methods:

- Local Public Housing Authority's rent standard.
- Section 8 FMRs - The rent standards must not be less than 80% of the published FMRs and not more than FMR or area-wide exception rent.

The calculation of Section 8 FMRs includes all utilities and housing-related services, except telephone.

B. MINIMUM TENANT PAYMENT

IFA's rules require a minimum tenant payment of \$5.00. The subrecipient can set minimum payment level of \$5.00 or higher and can establish a dollar figure or a percentage of income.

SECTION 6. PREPARATION AND SUBMITTAL OF DRAWS

A. GENERAL INFORMATION

- The subrecipient must first receive its Request of Release of Funds letter from IFA.
- The subrecipient must receive an **IFA Notice to Proceed Form** from IFA. (Applies to 2015 and newer projects.)
- The subrecipient has 24 months from the contract effective date to expend all awarded HOME funds.
- Draw requests will not be processed before clearance of all applicable contract conditions.
- Draw requests must be in whole dollar amounts and for a minimum of \$500 unless it is the final draw.
- Draw requests must contain all supporting documentation for funds to be drawn.
- The subrecipient will be notified if the draw request is denied. IFA will inform the subrecipient of what needs to be corrected and re-submitted.
- If the draw request is approved, IFA will transfer the funds to the subrecipient through an electronic funds transfer (EFT).

B. ITEMS NEEDED PRIOR TO FIRST DRAW

These items have to be completed prior to the first draw (whether or not it is a regular fund draw or an administration fund draw).

- Administration Plan
- **Authorized Signature Form**
- **EFT (Electronic Funds Transfer) Form**
- Affirmative Fair Housing Marketing Plan approved by IFA
- Tenant Selection Plan

C. SUBMITTAL OF DRAWS FOR REGULAR FUNDS

1. COMPLETE **TBRA SET-UP FORM** FOR PROJECT (only needed for first draw)
Project "set up" means the process of earmarking funds in the HUD federal financial management system. The subrecipient must complete the **TBRA Set-Up Form**.
2. COMPLETE **DRAW REQUEST FORM (REGULAR FUNDS)**
Complete the **Draw Request Form (Regular Funds)**. Draws must be in whole dollar amounts and for a minimum of \$500 (unless it is the final draw).
3. COMPLETE **TBRA BENEFICIARY FORM**
Complete the **TBRA Beneficiary Form** and the **Draw Request Form (Regular Funds)**.
4. SUBMIT DOCUMENTS TO IFA PROJECT MANAGER
Submit documents to the assigned IFA Project Manager by email.

D. SUBMITTAL OF DRAWS FOR ADMINISTRATION FUNDS

NOTE: Administration funds will be distributed proportionately to the subrecipient's drawdown of regular funds.

1. COMPLETE DRAW REQUEST FORM (ADMINISTRATION FUNDS)
Complete the Draw Request Form (Administration Funds) and attach supporting documentation. Draws must be in whole dollar amounts and for a minimum of \$500 (unless it is the final draw).
2. SUBMIT DOCUMENTS TO IFA PROJECT MANAGER
Submit the completed Draw Request Form (Administration Funds) and supporting documentation to the assigned IFA Project Manager by email.

SECTION 7. MONITORING REVIEW

Before the contract end date, the assigned IFA Project Manager will contact the subrecipient to set up a monitoring review. The purpose of this review is to assess the subrecipient's performance and compliance with HOME Program requirements.

SECTION 8. CLOSEOUT PROCESS

After all funds have been drawn, the assigned IFA Project Manager will determine if there are any outstanding items that are needed prior to closing out the subrecipient's contract.

A. MATCH

HOME projects that listed eligible match funds on the application must submit match information to IFA until all required match (as identified on Exhibit A of the HOME funding agreement) has been contributed to the activity. HOME subrecipients must maintain complete and current records regarding all eligible match contributions.

The match forms below can be found on IFA's website, under the HOME Program:

- **Match Table - Eligible Forms, Calculations, Date of Contribution**
- **HOME Match Report with Instructions**

B. FINAL ALLOCATION COMPLIANCE LETTER

When all required documentation for the contract has been satisfied, the subrecipient will receive an Initial Allocation Compliance Letter, Audit Letter, and a Final Allocation Compliance Letter. The Final Allocation Compliance Letter will include a summary of the subrecipient's project.

NOTE: Although IFA may conclude that the subrecipient is in substantial compliance, the subrecipient's HOME Program records may be reviewed as part of IFA's annual audit by HUD, an independent auditor or the State Auditor's Office. Any of these audits could result in findings or conclusions that differ from those of IFA.